



Indiana Economic Development Corporation

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November 20, 2006

Barbara McNutt  
Chief Counsel  
Indiana Professional Licensing Agency

Dear Ms. McNutt:

Pursuant to IC 4-22-2-28, the Indiana Economic Development Corporation ("IEDC") has reviewed the economic impact analysis for small business associated with rule changes proposed by the Indiana Professional Licensing Agency ("IPLA") on behalf of the State Board of Cosmetology Examiners and contained in LSA Document 06-151, which amends 820 IAC 5-1-20 concerning license application requirements for tanning facilities. The rule also adds 820 IAC 7-1-1, 820 IAC 7-1-3, 820 IAC 7-1-4, 820 IAC 7-1-5, and 820 IAC 7-1-6 regarding fees.

The IPLA estimates that the rule will affect 85 cosmetology schools, 8,143 beauty salons, 830 nail salons, and 1,596 tanning salons. The impact statement does not identify what percentage of the affected entities may be classified as small businesses, but the report does indicate that the rule changes do not impose any new reporting, record keeping, or other administrative costs on small businesses. The statement also indicates that the changes associated with the rule will not result in an increase in financial costs to affected entities. In determining the fiscal impact of the rule the IPLA also reviewed comparable rates in Idaho, Iowa, Kentucky, Michigan, Minnesota, Ohio, Pennsylvania and Wisconsin. That review indicated that rates in Indiana are competitive with those charged in other states. Additionally, pursuant to IC 25-1-8-2, fees assessed to entities regulated by the Cosmetology Board shall not be less than are required to pay all of the costs, both direct and indirect, of the operation of the board. In 2005, the General Assembly enacted P.L. 194-2005 to give the Indiana Professional Licensing Agency and the boards, commissions, and committees it serves the authority to set fees by rule that had previously been set by statute. The IEDC does not object to the fiscal impact associated with the proposed rule changes.

If you have any questions about the comments contained herein please contact me at 232-8962 or [rasberry@iedc.in.gov](mailto:rasberry@iedc.in.gov).

Regards,

Ryan Asberry  
Director - Research  
Indiana Economic Development Corporation